

**Finance and Administration Cabinet
DEPARTMENT OF REVENUE**

Proposed Projects Involving the State General Fund (cash or bonds)*

<u>Priority</u>	<u>Cabinet</u>	<u>Agency</u>	<u>Project Title / Description</u>	<u>Total Budget</u>
<u>2006-2008</u>				
6	1		Implement a Comprehensive Tax System - Phase I The Department of Revenue's various tax information technology systems are in need of upgrade and replacement. Most of the Department of Revenue's systems were implemented in the 1980's and are not easy to modify or maintain. There is a real danger of system(s) failure due to lack of experienced staff in COBOL and other outdated programming languages, since these systems were simply not designed to work with the technologies of the 21st century.	\$35,000,000
14	2		Computer Lease Renewal The Department of Revenue is currently operating under a lease agreement with Pomeroy IT Solutions to upgrade the Department of Revenue's computer hardware on a three-year rotation basis. This solution ensures that the Department of Revenue provides the most up-to-date computer solutions at a lower overall cost	\$1,028,000
<u>2008-2010</u>				
			Implement a Comprehensive Tax System - Phase II The Department of Revenue's various tax information technology systems are in need of upgrade and replacement. Most of the Department of Revenue's systems were implemented in the 1980's and are not easy to modify or maintain. There is a real danger of system(s) failure due to lack of experienced staff in COBOL and other outdated programming languages, since these systems were simply not designed to work with the technologies of the 21st century.	\$15,000,000
			Tax Roll Assessment and Certification System The Department of Revenue uses many different information systems to value and track property, handle distributions, collect state taxes, set rates, make estimates for rate setting purposes, and collect chargeback monies. Funding is needed to design and develop a common system for all functions.	\$2,400,000
<u>2010-2012</u>				
			Implement a Comprehensive Tax System - Phase III The Department of Revenue's various tax information technology systems are in need of upgrade and replacement. Most of the Department of Revenue's systems were implemented in the 1980's and are not easy to modify or maintain. There is a real danger of system(s) failure due to lack of experienced staff in COBOL and other outdated programming languages, since these systems were simply not designed to work with the technologies of the 21st century.	\$3,000,000
			Replace Mail Opening Equipment Existing mail sorting and extraction equipment is in need of replacement due to an increased tax and enterprise collections workload.	\$600,000

***Notes**

- Unless otherwise indicated, the total budget would be financed from the state General Fund (cash or bonds).
- Priority rankings were required to be assigned only to those projects proposed for 2006-08; projects for 2008-10 and 2010-12 are listed in alphabetical order.
- Descriptions are as provided in the "Brief Description and Justification" field of the agency's capital plan submission.

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Proposed Projects NOT Involving the State General Fund

<u>Project Title / Description</u>	<u>Total Budget</u>	<u>Source(s)</u>
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2006-2008

Motor Fuels Tax Automation

\$2,500,000

FF

Electronic capture of motor fuels tax data coupled with electronic verification will rescue the Department of Revenue from a laborious manual cross checking system that can not be maintained with current staffing levels. Auditor of Public Accounts audit findings support this upgrade as a better method to assure revenues due the Commonwealth are received.

2008-2010

None

2010-2012

None

***Notes**

- Priority rankings were required to be assigned only to those projects proposed to be financed from the state General Fund (cash or bonds) in 2006-08; all other projects are listed in alphabetical order.
- Descriptions are as provided in the "Brief Description and Justification" field of the agency's capital plan submission.
- Sources: AB = Agency Bonds; FF = Federal Funds; RF = Restricted Funds; OT = Other Funds; TF = Road Fund